

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6369

BILL NUMBER: SB 463

NOTE PREPARED: Apr 13, 2011

BILL AMENDED: Apr 13, 2011

SUBJECT: Mandatory Retirement Age for Trial Court Judges.

FIRST AUTHOR: Sen. Buck

FIRST SPONSOR: Rep. Karickhoff

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill has the following provisions:

- A. *Mandatory Retirement Age* – It repeals or otherwise removes all provisions that establish a mandatory retirement age for superior court and county court judges. It makes conforming amendments.
- B. *Johnson Superior Court #4* – It adds a fourth judge to the Johnson Superior Court as of January 1, 2015.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Mandatory Retirement Age* – Since the State Constitution has no mandatory retirement age for circuit court judges, LSA used the average retirement age of circuit court judges as a comparison to determine whether superior court judges, who are required to retire at 70, might tend to retire at a later age.

Age of Judges At Time of Retirement		
	Number	Average
Circuit Judge	63	65.1
Superior Judge	74	65.0
Source: Judges Retirement Fund		

Since no practical difference in the age of the judges at retirement exists, LSA anticipates no change in the payments to beneficiaries of the Judges Retirement Fund.

(Revised) *Johnson Superior Court #4* – The entire impact of this provision on state expenditures will not occur until after FY 2016, when the new court will be in full effect.

Background Information-

The salary of circuit and superior court judges can be adjusted each year by one of two methods:

- The General Assembly could increase the amount specified in statute.
- If the General Assembly does not increase the salary of judges by a nominal amount, then under IC 33-38-5-8.1, salaries of judicial officers can be adjusted by the amount that executive staff salaries in the same salary level are increased.

The following table projects these expenditures assuming that salaries are not increased between FY 2011 and 2016.

New Positions Created						
Provision	Effective Date	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Johnson Superior Court #4	1-Jan-2015				\$82,081	\$164,163

State expenditures associated with these new court officers also depend on the costs of fringe benefits for state employees. While most of the benefits are based on a percentage of the salaries of the employee, the costs of medical insurance for these persons will depend on future decisions of the executive branch. The extent to which the state would pass along any increase in health insurance costs to employees is unknown.

The following table shows estimates of the total compensation (base salary and fringe benefits) of judges during FY 2011. Future salary increases will depend on legislative or administrative actions (see IC 33-38-5-8.1).

Salaries and Benefits for Judges and Magistrates	
<u>Benefits</u>	<u>Judges</u>
Salary	\$125,648
Life Insurance	\$362
Indiana Judicial Conference	\$1,000
Social Security	\$9,612
Retirement	\$11,685
Disability Insurance	\$2,865
Health, Dental, and Vision (blended rate)	\$12,991
Total Cost Per Judicial Officer	<u>\$164,163</u>

Explanation of State Revenues:

Explanation of Local Expenditures: Johnson County would likely need to add a court reporter and a bailiff for the new court beginning in 2015.

Explanation of Local Revenues:

State Agencies Affected: Judges Retirement Fund; Division of State Court Administration, Indiana Supreme Court; Indiana Judicial Center.

Local Agencies Affected: Johnson County.

Information Sources: Allison Murphy, Public Employees Retirement Fund; Division of State Court Administration.

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